



## **HPL Electric & Power Limited**

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14<sup>th</sup> September, 2020

The Manager,  
Listing Department,  
**National Stock Exchange of India Ltd.**  
"Exchange Plaza", C-1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051  
**Symbol: HPL**

**BSE Limited**  
25<sup>th</sup> Floor, New Trading Ring, Rotunda  
Building, Phiroze Jeejeebhoy Towers, Dalal  
Street, Fort,  
Mumbai – 400 001  
**Scrip Code: 540136**

### **Subject: Press Release**

Dear Sir,

Please find enclosed a copy of the communication being released to Press today.

Thanking You

For HPL Electric & Power Limited

Vivek Kumar  
Company Secretary

Encl: As above



For Immediate Release

September 14<sup>th</sup>, 2020

## **HPL Electric and Power Ltd reports Q1 FY 2021 Results**

***Q1 FY21 Revenue stood at ₹ 96 Crores***

***‘Consumer’ Segment Sees revival in June’20***

***Execution of the Smart Meter Orders worth ₹ 90 Crores will start in H2FY21***

**Noida, India, September 14<sup>th</sup>, 2020** – HPL Electric and Power Ltd (referred to as the “Company”; NSE Symbol: HPL, BSE Scrip Code: 540136), an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, announced its financial results for the quarter ended June 30<sup>th</sup>, 2020.

### **Consolidated Performance Highlights**

Particulars (In Rs Cr)	Q1 FY21	Q1 FY20	FY20	FY19
Revenue from Operations	96.2	248.2	976.5	1,158.5
EBITDA	6.6	30.2	124.9	133.5
EBITDA Margin %	6.9%	12.2%	12.8%	11.5%
Cash PAT	(8.7)	14.5	59.3	64.7

- Performance for the first quarter was significantly impacted by the nation-wide lockdown in April & May, and the on-going Covid-19 led disruption. Essentially, the company did business only for little more than a month in Q1 FY21
  - Metering operations were disrupted as the inspections continued to be halted in Q1 FY21 on account of the Covid-19 led disruption. This led to lower dispatches resulting in the deferral of revenue to the forthcoming quarters. Meter dispatches have gradually picked-up from June’20 onwards.
  - Although, the ‘Consumer’ segment fared relatively better, consumer product sales were also acutely hit as the consumption demand remained tepid.
  - The ‘Consumer’ segment has seen a pick-up in demand from June 2020 onwards, led by the lighting & cables category. In fact, lighting, and wires & cables sales in June 2020 was higher than the sales in June 2019 and February 2020.
- Despite facing unprecedented disruption, the company achieved a positive EBITDA of ₹ 6.6 crore in Q1 FY21, led by rationalization of operating overheads, employee costs, and substantially lower marketing spends.
- “Notwithstanding the lockdown & Covid-19 disruption impact, Revenue, EBITDA and Net Profit in Q1 FY21 would have been substantially higher than reported”

**Mr. Gautam Seth, Joint Managing Director, said,** “Our performance for the first quarter was acutely impacted by the prolonged country-wide lockdown, a challenging & uncertain economic environment and intermittent localised lockdowns in many areas of operations. However, we adjusted to this new reality well, by undertaking concerted efforts to bring down our operating costs. This held us in good stead as we were able to reduce our operating expenses by ~60% YoY and achieved a positive EBITDA of ₹ 6.6 crore in Q1

**HPL Electric & Power Ltd.**

1/20, Asaf Ali Road, New Delhi-110002, Tel.: 011-23236811/4411, website: www.hplindia.com



*FY21. Adjusting the revenue loss/deferral on account of the pandemic, our revenue and profitability in Q1 FY21 would have been substantially higher than reported.*

*On a positive note, as the macro scenario continues to improve, we have seen healthy traction in our consumer segment from June '20 onwards. Meter dispatches have also resumed albeit at a gradual pace. Our leverage position and liquidity profile continue to remain comfortable.*

*Looking ahead, we have a strong order book position of ₹ 327 crore, boosted by the receipt of smart meter orders worth ₹ 90 crore in May 2020. This ensures revenue visibility for the rest of the fiscal year. Furthermore, unless there are any further lockdowns, we expect to see a good demand pick-up in our 'Consumer segment' from Q2 FY21 onwards, as the opening-up of the economy gains pace with the announcement of Un-lock 4 guidelines supported by the on-set of the festival season, and higher government spending.*

*Meter dispatches are also expected to pick-up from H2 FY21 onwards. A silver lining amidst this Covid-19 induced storm is that the significance for rapid adoption of the smart meters has been reinforced. It is no longer bone of contention, as both SEBs & Private Discoms gear-up towards replacing a substantial quantum of conventional meters with smart meters going forward.*

*Hence, looking beyond the near-term challenges, we expect the 'smart meters' segment to witness robust traction in the medium-to-long term, driving the next leg of growth for our company. Furthermore, we will also see healthy traction in our 'Consumer' segment, as the consumption demand, infrastructure, and real estate sectors witness a gradual revival. On the whole, we remain confident of driving sustainable growth in the medium-term.*

### **Robust Order Book & Strong Revenue Visibility**

- Consolidated current order book stands at ₹ 327.0 crores (net of GST)
  - Metering orders of ₹ 288.7 crores
  - Switchgear orders of ₹ 7.1 crores
  - Lighting orders of ₹ 26.8 crores
  - Wires & Cables orders of ₹ 4.4 crores
  - Enquiry base for Metering tenders is at a healthy level. Tenders amounting to ₹ ~2,500 crores have been floated or expected to be floated in the near-term

## **About HPL Electric and Power Ltd**

HPL is an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and institutional customers in the electrical equipment industry. HPL had the largest market share in the electricity energy meters market in India, with one of the widest portfolios of meters in India and the fifth largest market share for LED lamps during the corresponding period (Source: Frost & Sullivan Report, February 2016). HPL's manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence. HPL currently manufactures and sells its products under the umbrella brand 'HPL', which has been registered in India since 1975.

## **Contact Details**

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## Safe Harbor

This release contains statements that contain “forward-looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to HPL Electric and Power Ltd future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. HPL Electric and Power Ltd undertake no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.